

Service Date: June 10, 1987

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of)	UTILITY DIVISION
the Regulated Members of TELEPHONE)	
EXCHANGE CARRIERS OF MONTANA (TECOM))	DOCKET NO. 86.7.34
for Authority to Increase Rates for)	
Intrastate Access Services.)	ORDER NO. 5225b

BACKGROUND

On April 15, 1987, the Commission approved Order No. 5225a that disposed of all matter then pending in Docket No 86.7.34. On April 27, 1987 the Telephone Exchange Carriers of Montana (TECOM) filed a motion for reconsideration asserting the following:

1) The amount of revenue requirement approved in Order No. 5225a should be clarified.

2) The reduction in TECOM's revenues should not come entirely through a reduction in the Carrier Common Line Charge (CCLC) rate element.

FINDINGS OF FACT

Clarification of Revenue Requirement

TECOM's Motion for Reconsideration asked that the Commission clarify the revenue requirement to be recovered through carrier access charges. TECOM's rebuttal testimony set forth the need for a rate reduction of \$652,440 from the Order No. 5225 level. This amount included approximately \$600,000 change in the carrier common line charge due to the second year of the phase down set forth in Docket No. 84.4.15, Order No. 5055g. The Commission granted an interim rate reduction for the \$600,000. TECOM filed tariffs to reduce rates by \$600,898 and the associated administrative fee of \$6,009. Therefore, the revenue reduction in this docket is \$45,533. This revenue reduction is attributable to both regulated and nonregulated members of the pool.

TECOM also requested that the Commission clarify Order No. 5225a by including six additional findings. The Commission does not agree that these findings are necessary to clarify the order and is not amending the order to include them.

Carrier Common Line Charge Rate Element

In addition to TECOM's request for "reconsideration principally for purposes of clarification" of revenue requirement issues, TECOM requested "substantive reconsideration" of the Commission's decision on the Carrier Common Line Charge (CCLC) rate element. The Commission agrees with TECOM that Order No. 5225a's direction to flow through the net decrease in revenue requirement of approximately \$45,533 to the CCLC rate is inappropriate. As TECOM correctly states the decision is not consistent with the recent access docket final order (Order No. 5055g) in Docket No. 84.4.15. The motion is hereby granted to set the CCLC rate at its Part 67/69 cost level identified in TECOM's rebuttal filing.

CONCLUSIONS OF LAW

1. Applicants Hot Springs Telephone Company, Project Telephone Company, Lincoln Telephone Company, Ronan Telephone Company and Southern Montana Telephone Company are corporation providing regulated telecommunication service in Montana and, as such, are public utilities within the meaning of Section 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises jurisdiction over Hot Springs Telephone Company, Project Telephone Company, Ronan Telephone Company and Southern Montana Telephone Company pursuant to Title 69, Chapter 3, MCA.

3. The Commission has provided adequate public notice of all proceedings and opportunity to be heard to all interested parties in this Docket. Title 2, Chapter 4, MCA.

4. The rate levels and spread approved herein are just, reasonable and not unjustly discriminatory. §69-3-330, MCA.

ORDER

1. TECOM's revenue requirement reduction in this docket is \$45,533. The CCLC is set at its Part 67/69 cost level identified in TECOM's rebuttal filing.

2. Rates found appropriate in this order will be effective for service rendered on and after June 16, 1987.

DONE AND DATED in open session at Helena, Montana, this 3rd day of June, 1987, by a 3 to 0 vote.

DOCKET NO. 86.7.34, ORDER NO. 5225b

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BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Commissioner

TOM MONAHAN, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Ann Purcell
Acting Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.